

AT HOME CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

start-up activities and organization costs to be expensed as incurred. The Company is required to adopt SOP 98-5 for the year ended December 31, 1999. The adoption of SOP 98-5 is not expected to have a material impact on the Company's consolidated financial statements.

In June 1998, the FASB issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("FAS 133"). The Company expects to adopt FAS 133 effective January 1, 2000. FAS 133 will require the Company to recognize all derivatives on the balance sheet at fair value. The Company does not anticipate that the adoption of FAS 133 will have a significant effect on its results of operations or financial position.

2. PRO FORMA NET LOSS PER SHARE

Pro forma basic and diluted net loss per share are computed using the weighted average number of common shares outstanding. The computation for the periods ended December 31, 1997 and 1996, also gives pro forma effect to the conversion, in connection with the Company's initial public offering in July 1997, of all outstanding shares of convertible preferred stock into shares of common stock. The effect of outstanding stock options, warrants and common stock subject to repurchase is excluded from the computation as their inclusion would be anti-dilutive.

The computation of basic and diluted net loss per share is as follows (in thousands, except per share data):

	YEAR ENDED DECEMBER	
31,		
-----	1998	1997
1996	-----	-----

Net loss.....	\$ (144,179)	\$ (55,717)
\$ (24,513)	=====	=====
=====		
Weighted average shares of common stock		
outstanding.....	120,054	17,515
4,808		
Less: weighted average shares of common stock		
subject to repurchase.....	(5,814)	(9,224)
(3,940)		
Pro forma common equivalent shares from		
convertible preferred stock.....	--	95,252
95,252	-----	-----

Shares used in per share calculations.....	114,240	103,543
96,120	=====	=====
=====		

The Company accounts for stock-based awards to employees in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB Opinion No. 25") and has adopted the disclosure-only alternative of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("FAS 123").

PRO FORMA NET LOSS PER SHARE

The Company adopted Statement of Financial Accounting Standards Statement No. 128, "Earnings Per Share" ("FAS 128"), which is effective for fiscal years ending after December 15, 1997. FAS 128 replaced the calculation of primary and fully diluted earnings per share with basic and diluted earnings per share. Unlike primary earnings per share, basic earnings per share excludes any dilutive effects of options, warrants and convertible securities. Dilutive earnings per share is very similar to the previously reported fully diluted earnings per share.

Pro forma basic and diluted net loss per share is computed using the weighted average number of common shares outstanding, net of shares subject to repurchase, and also gives effect to the conversion of all outstanding shares of convertible preferred stock into shares of common stock for the years ended December 31, 1997 and 1996. Such information is presented in Note 2.

EFFECT OF NEW ACCOUNTING STANDARDS

In June 1997, the Financial Accounting Standards Board issued Statement No. 130, "Reporting Comprehensive Income" ("FAS 130"). FAS 130 establishes new standards for reporting and displaying comprehensive income and its components. FAS 130 establishes standards for reporting and displaying comprehensive income and its components (revenues, expenses, gains and losses). Comprehensive income as defined includes all changes in equity (net assets) during a period from non-owner sources. Such items may include foreign currency translation adjustments, unrealized gains/losses from investing and hedging activities, and other transactions. The Company adopted FAS 130 in 1998.

In June 1997, the Financial Accounting Standards Board issued Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("FAS 131") which was adopted by the Company for the period ending December 31, 1998. FAS 131 establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports issued to stockholders. The Company operates in one business segment, Internet services to consumers and business over the cable television infrastructure.

In March 1998, the AICPA issued SOP 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use", which establishes guidelines for the accounting for the costs of all computer software developed or obtained for internal use. The Company adopted SOP 98-1 effective for the year ended December 31, 1998. The adoption of SOP 98-1 did not have a material impact on the Company's consolidated financial statements.

In April, 1998, the AICPA issued SOP 98-5, "Reporting on the Costs of Start-Up Activities." The statement is effective for fiscal years beginning after December 15, 1998. The statement requires costs of

goodwill related to the acquisitions of Narrative Communications Corp. ("Narrative") and Full Force Systems, Inc. ("Full Force") which were accounted for as purchases (Note 3). Amortization of intangible assets is provided on the straight-line basis over the estimated useful lives of the assets, which range from 3 to 3.5 years. Acquired in-process research and development without alternative future use is charged to operations when acquired.

The Company records impairment losses on intangible assets when events and circumstances indicate that such assets might be impaired and the estimated fair value of the asset is less than its recorded amount. To date, no such impairment has occurred.

REVENUE RECOGNITION

Monthly customer subscription revenue is recognized in the period in which subscription services are provided. The Company also earns revenue from cable system operators for providing certain support services, such as customer support, local area content development and pre-commercial deployment fees. Revenue from cable system operators is recognized as the services are performed. Through December 31, 1998, the majority of such revenue was derived from cable system operators that are also stockholders of the Company. Revenues also include the sale of online advertising based on fixed-fee charter programs, delivery of impressions on a cost per thousand basis and content partnering arrangements. Such revenues are recognized over the term of the programs.

ADVERTISING COSTS

All advertising costs are expensed as incurred. Advertising costs, which are included in sales and marketing expenses, were \$1,771,000, \$626,000 and \$684,000 for the years ended December 31, 1998, 1997 and 1996, respectively.

RESEARCH AND DEVELOPMENT SOFTWARE COSTS

Research and development costs are charged to operations as incurred. Software development and prototype costs incurred prior to the establishment of technological feasibility are included in research and development and are expensed as incurred. Software development costs incurred subsequent to the establishment of technological feasibility through the period of general market availability of the product are capitalized and amortized over their estimated useful life.

AT HOME CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

INCOME TAXES

The Company accounts for income taxes under the liability method. Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

STOCK-BASED COMPENSATION

are not capable of two-way transmission. Cable system operators have announced and begun to implement major infrastructure investments in order to deploy data-over-cable services. However, there can be no assurance that such infrastructure improvements will be completed.

DEPENDENCE ON KEY TECHNOLOGY SUPPLIERS

The Company currently depends on a limited number of suppliers for certain key technologies used to build and manage the Company's services. Although the Company believes that there are alternative suppliers for each of these technologies, the Company has established favorable relationships with each of its current suppliers, and it could take a significant period of time to establish relationships with alternative suppliers and substitute their technologies. The loss of any of the Company's relationships with its current suppliers could have a material adverse effect on the Company's financial condition and results of operations.

BASIS OF PRESENTATION

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

Certain reclassifications have been made to prior year's financial statements to conform to current year's presentation.
USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported results of operations during the reporting period. Actual results could differ from those estimates.

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AT HOME CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CASH AND CASH EQUIVALENTS

Cash equivalents are highly liquid investments with insignificant interest rate risk and maturities of 90 days or less and are stated at amounts that approximate fair value, based on quoted market prices. Cash equivalents consist principally of investments in interest-bearing demand deposit accounts with financial institutions and highly liquid debt securities of corporations and the U.S. Government. The Company includes in cash and cash equivalents all short-term, highly liquid investments that mature within 90 days of their acquisition date.

PROPERTY, EQUIPMENT AND IMPROVEMENTS

Property, equipment and improvements are stated at cost. Depreciation and amortization are computed using the straight-line method over the shorter of the estimated useful life of the asset or the lease term.

INTANGIBLE ASSETS

Intangible assets consist of purchased technology, acquired workforce and

Financing of other assets.....	\$	--	\$
1,572 \$ --			
			=====
Notes receivable from stockholders issued in connection with exercise of stock options and restricted stock purchases.....	\$	--	\$
234 \$ 170			
			=====
Issuance of warrants issued in connection with the distribution agreement with Cablevision.....	\$	74,493	\$
172,283 \$ --			
			=====
Acquisitions of Narrative Communications Corporation and Full Force Systems, Inc.: Common stock issued and options and warrants exercisable for common stock assumed.....	\$	94,953	\$
-- \$ --			
			=====
Liabilities assumed.....	\$	2,589	\$
--		--	\$
			=====

See accompanying notes.

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AT HOME CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE COMPANY

At Home Corporation (the "Company") was incorporated in the state of Delaware on March 28, 1995. The Company provides Internet services to consumers and businesses over the cable television infrastructure. As of December 31, 1998, the Company's services were available through cable systems in a limited number of cities in North America.

DEPENDENCE ON CABLE COMPANIES

The Company has strategic relationships with eighteen cable companies that provide through their cable systems the principal distribution network for the Company's services to its subscribers. The Company's cable partners have granted the Company the exclusive right to offer high-speed residential consumer Internet services over their cable systems, subject to certain exceptions. However, these cable partners are under no obligation to carry the Company's services. In addition, the cable partners' exclusivity obligations in favor of the Company expire in June 2002, and may be terminated prior to that date under certain circumstances.

Transmission of data over cable is dependent on the availability of high-speed two-way hybrid fiber coaxial cable infrastructure. Currently, significant portions of the cable infrastructure in the United States have not been upgraded from coaxial cable to hybrid fiber-coaxial cable and, in addition,

550	159		
	Deferred revenues.....	3,126	
1,853	87		
	Other accrued liabilities.....	4,503	
6,026	798		
	Other long-term liabilities.....	(1,736)	
61	1,675		
		-----	---
	Cash (used in) operating activities.....	(30,212)	
	(31,568) (19,280)		
	CASH (USED IN) INVESTING ACTIVITIES		
	Purchase of short-term investments.....	(135,342)	
	(103,030) (8,998)		
	Sales and maturities of short-term investments.....	92,922	
	33,925 2,000		
	Purchase of property, equipment and improvements.....	(16,793)	
	(9,989) (7,320)		
	Increase in other assets.....	4,291	
	--		
	Business combinations, net of cash acquired.....	144	
	--		
		-----	---
	Cash (used in) investing activities.....	(54,778)	
	(79,094) (14,318)		
	CASH PROVIDED BY FINANCING ACTIVITIES		
	Proceeds from issuance of convertible debentures.....	229,344	
	--		
	Issuance costs of convertible debentures.....	(6,878)	
	--		
	Proceeds from issuance of convertible preferred stock.....	--	
	46,339 35,025		
	Proceeds from issuance of common stock, net of		
	repurchases.....	130,828	
	99,985 519		
	Proceeds from capital lease financing.....	--	
	5,630 1,500		
	Payments on capital lease obligations.....	(12,118)	
	(6,858) (581)		
	Repayment of notes receivable from stockholders.....	303	
	70 --		
		-----	---
	Cash provided by financing activities.....	341,479	
	145,166 36,463		
		-----	---
	Net increase in cash and cash equivalents.....	256,489	
	34,504 2,865		
	Cash and cash equivalents, beginning of period.....	44,213	
	9,709 6,844		
		-----	---
	Cash and cash equivalents, end of period.....	\$ 300,702	\$
	44,213 \$ 9,709		
		=====	
	SUPPLEMENTAL DISCLOSURES		
	Interest paid.....	\$ 2,148	\$
	1,039 \$ 143		
		=====	
	Acquisition of equipment under capital leases.....	\$ 12,872	\$
	16,527 \$ 7,916		
		=====	
		=====	

Series A common stock issued in the secondary offering, less issuance costs.....	--	125,725
Series A common stock and options for Series A common stock issued in acquisitions.....	--	94,953
Series A common stock issued upon exercise of warrants.....	--	--
Series A common stock issued under stock option plans and employee stock purchase plan.....	--	5,139
Repurchases of Series A common stock.....	--	(24)
Repayment of notes receivable.....	--	303
Warrants issued to purchase Series A common stock in connection with distribution agreements.....	--	124,287
Amortization of deferred compensation, net of cancelled stock options.....	--	1,020
Net loss.....	(144,179)	(144,179)
Unrealized gain on investments.....	--	4,235
Comprehensive loss.....	--	(139,944)
Balances at December 31, 1998.....	\$(227,165)	\$ 493,866
	=====	=====

See accompanying notes.

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AT HOME CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

		YEARS ENDED	
DECEMBER 31,		-----	
			1998
1997	1996	-----	---
-----	-----		
CASH (USED IN) OPERATING ACTIVITIESNet			
loss.....		\$(144,179)	\$
(55,717)	\$(24,513)		
Adjustments to reconcile net loss to cash used in operating activities:			
Depreciation and amortization.....		14,009	
7,783	1,829		
Amortization of distribution agreements.....		51,591	
9,246	--		
Cost of distribution agreements.....		49,794	
--	--		
Amortization of deferred compensation.....		1,020	
1,130	74		
Charge for purchased in-process research and development.....		2,758	
--	--		
Changes in assets and liabilities:			
Accounts receivable.....		(8,099)	
(1,338)	(804)		
Other assets.....		(9,143)	
(2,251)	(1,190)		
Accounts payable.....		5,822	
1,089	2,605		
Accrued compensation and related expenses.....		322	

--						
Series A common stock issued under stock option plans and employee stock purchase plan.....	--	--	650	5,139	--	--
--						
Repurchases of Series A common stock.....	--	--	(195)	(36)	12	--
--						
Repayment of notes receivable.....	--	--	--	--	303	--
--						
Warrants issued to purchase Series A common stock in connection with distribution agreements.....	--	--	--	124,287	--	--
--						
Amortization of deferred compensation, net of cancelled stock options.....	--	--	--	(499)	--	1,519
--						
Net loss.....	--	--	--	--	--	--
--						
Unrealized gain on investments.....	--	--	--	--	--	--
4,235						

Comprehensive loss.....	--	--	--	--	--	--
--						

Balances at December 31, 1998.....	--	\$	--	123,273	\$ 719,680	\$ (4)
\$4,235						\$ (2,880)

	ACCUMULATED DEFICIT	STOCKHOLDERS' EQUITY
-----	-----	-----
Issuance of preferred stock, less issuance costs.....	\$ --	\$ 9,968
Net loss.....	(2,756)	(2,756)
-----	-----	-----
Balances at December 31, 1995.....	(2,756)	7,212
Issuance of preferred stock, less issuance costs.....	--	35,025
Series A common stock issued under stock option plans and restricted stock agreements.....	--	548
Repurchases of Series A common stock.....	--	(29)
Deferred compensation related to grant of stock options.....	--	--Amortization of deferred
compensation.....	--	74
Net loss.....	(24,513)	(24,513)
-----	-----	-----
Comprehensive loss.....	--	(24,513)
-----	-----	-----
Balances at December 31, 1996.....	(27,269)	18,317
Issuance of Series C preferred stock, less issuance costs.....	--	46,339
Conversion of preferred stock to common stock.....	--	--
Series A common stock issued in the initial public offering, less issuance costs.....	--	99,768
Series A common stock issued under stock option plans and restricted stock agreements.....	--	293
Repurchases of Series A common stock.....	--	(76)
Repayment of notes receivable.....	--	70
Warrants issued to purchase Series A common stock in connection with distribution agreements.....	--	172,283
Deferred compensation related to grant of stock options.....	--	--
Amortization of deferred compensation.....	--	1,130
Net loss.....	(55,717)	(55,717)
-----	-----	-----
Comprehensive loss.....	--	(55,717)
-----	-----	-----
Balances at December 31, 1997.....	(82,986)	282,407

Issuance of preferred stock, less issuance costs.....	1,000	\$ 9,968	--	\$ --	\$ --	\$ --
\$ --	--	--	--	--	--	--
Net loss.....	--	--	--	--	--	--
--	-----	-----	-----	-----	-----	-----

Balances at December 31, 1995.....	1,000	9,968	--	--	--	--
--						
Issuance of preferred stock, less issuance costs.....	3,522	35,025	--	--	--	--
--						
Series A common stock issued under stock option plans and restricted stock agreements.....	--	--	12,402	718	(170)	--
--						
Repurchases of Series A common stock.....	--	--	(547)	(29)	--	--
--Deferred compensation related to grant of stock options.....	--	--	--	346	--	(346)
--						
Amortization of deferred compensation.....	--	--	--	--	--	74
--						
Net loss.....	--	--	--	--	--	--
--	-----	-----	-----	-----	-----	-----

Comprehensive loss.....	--	--	--	--	--	--
--	-----	-----	-----	-----	-----	-----

Balances at December 31, 1996.....	4,522	44,993	11,855	1,035	(170)	(272)
--						
Issuance of Series C preferred stock, less issuance costs.....	240	46,339	--	--	--	--
--						
Conversion of preferred stock to common stock.....	(4,762)	(91,332)	95,252	91,332	--	--
--						
Series A common stock issued in the initial public offering, less issuance costs.....	--	--	10,350	99,768	--	--
--						
Series A common stock issued under stock option plans and restricted stock agreements.....	--	--	2,191	527	(234)	--
--						
Repurchases of Series A common stock.....	--	--	(1,045)	(91)	15	--
--						
Repayment of notes receivable.....	--	--	--	--	70	--
--						
Warrants issued to purchase Series A common stock in connection with distribution agreements.....	--	--	--	172,283	--	--
--						
Deferred compensation related to grant of stock options.....	--	--	--	5,257	--	(5,257)
--						
Amortization of deferred compensation.....	--	--	--	--	--	1,130
--						
Net loss.....	--	--	--	--	--	--
--	-----	-----	-----	-----	-----	-----

Comprehensive loss.....	--	--	--	--	--	--
--	-----	-----	-----	-----	-----	-----

Balances at December 31, 1997.....	--	--	118,603	370,111	(319)	(4,399)
--						
Series A common stock issued in the secondary offering, less issuance costs.....	--	--	2,875	125,725	--	--
--						
Series A common stock and options for Series A common stock issued in acquisitions.....	--	--	1,244	94,953	--	--
--						
Series A common stock issued upon exercise of warrants.....	--	--	96	--	--	--

Costs and expenses(2):			
Operating costs.....		46,965	
22,459	6,969		
Product development and engineering.....		17,009	
11,984	6,312		
Sales and marketing.....		18,091	
11,863	6,368		
General and administrative.....		12,429	
10,635	6,054		
Purchased in-process research and development.....		2,758	
--	--		
Cost and amortization of distribution agreements.....		101,385	
9,246	--		
-----		-----	-----
Total costs and expenses.....		198,637	
66,187	25,703		
-----		-----	-----
Loss from operations.....		(150,592)	
(58,750)	(25,027)		
Interest income, net.....		6,413	
3,033	514		
-----		-----	-----
Net loss.....		\$ (144,179)	
\$ (55,717)	\$ (24,513)		
=====		=====	
Pro forma basic and diluted net loss per share.....		\$ (1.26)	\$
(0.54)	\$ (0.26)		
=====		=====	
Shares used in pro forma basic and diluted per share			
calculations.....		114,240	
103,543	96,120		
=====		=====	
-----		-----	-----
(1) Revenues from related parties.....		\$ 10,458	\$
2,948	\$ 634		
=====		=====	
(2) Depreciation and amortization included in costs and			
expenses.....		\$ 66,620	\$
18,159	\$ 1,903		
=====		=====	

See accompanying notes.

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AT HOME CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(IN THOUSANDS)

ACCUMULATED OTHER COMPREHENSIVE COMPENSATION		CONVERTIBLE		NOTES			
		PREFERRED STOCK		COMMON STOCK	RECEIVABLE		
INCOME		-----		-----		FROM	DEFERRED
		SHARES	AMOUNT	SHARES	AMOUNT	STOCKHOLDERS	
		-----	-----	-----	-----	-----	-----

Accrued transport costs.....	2,444	
1,179		
Deferred revenues.....	5,164	
1,941		
Other accrued liabilities.....	11,305	
5,644		
Current portion of capital lease obligations.....	12,045	
9,971		
-----	-----	---
Total current liabilities.....	43,004	
24,050		
Convertible debentures.....	229,344	
--		
Capital lease obligations, less current portion.....	14,356	
15,735		
Other liabilities.....	61	
1,736		
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.01 par value:		
Authorized shares -- 230,277,660 in 1998 and 1997		
Issued and outstanding shares -- 123,272,867 in 1998		
and 118,603,220		
in 1997.....	719,680	
370,111		
Notes receivable from stockholders.....	(4)	
(319)		
Deferred compensation.....	(2,880)	
(4,399)		
Accumulated other comprehensive income.....	4,235	
--		
Accumulated deficit.....	(227,165)	
(82,986)		
-----	-----	---
Total stockholders' equity.....	493,866	
282,407		
-----	-----	---
Total liabilities and stockholders' equity.....	\$ 780,631	
\$323,928		
=====	=====	

See accompanying notes.

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AT HOME CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS (IN THOUSANDS, EXCEPT PER SHARE DATA)

		YEAR ENDED	
DECEMBER 31,		-----	

		1998	
1997	1996	-----	-----

Revenues (1)		\$ 48,045	\$
7,437	\$ 676		

San Jose, California
January 19, 1999

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AT HOME CORPORATION
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

ASSETS

	DECEMBER 31,	

	1998	
	-----	---

1997		

Current assets:		
Cash and cash equivalents.....	\$ 300,702	\$
44,213		
Short-term investments.....	118,587	
76,166		
-----	-----	---
Total cash, cash equivalents and short-term		
investments.....	419,289	
120,379		
Accounts receivable, (net of allowance for doubtful		
accounts of \$252 in 1998 and none in 1997).....	6,358	
1,470		
Accounts receivable -- related parties.....	4,300	
672		
Other current assets.....	3,381	
2,919		
-----	-----	---
Total current assets.....	433,328	
125,440		
Property, equipment and improvements, net.....	49,240	
33,061		
Distribution agreements, net.....	186,247	
163,345		
Intangible assets, net.....	93,989	
--		
Other assets.....	17,827	
2,082		
-----	-----	---
Total assets.....	\$ 780,631	
\$323,928		
	=====	

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable.....	\$ 7,100	\$
2,409		
Accounts payable -- related parties.....	3,684	
2,108		
Accrued compensation and related expenses.....	1,262	
798		

4/27/99 /s/ JOHN C. MALONE* Director

----- Director
John C. Petrillo

4/27/99 /s/ BRIAN L. ROBERTS* Director

4/27/99 /s/ JAMES R. SHAW, JR.* Director

4/27/99 /s/ DAVID M. WOODROW* Director

* By: /s/ KENNETH A. GOLDMAN

Kenneth A. Goldman
Attorney-in-fact

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REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

The Board of Directors and Stockholders
At Home Corporation

We have audited the accompanying consolidated balance sheets of At Home Corporation as of December 31, 1998 and 1997, and the related consolidated statements of operations, stockholders' equity, and cash flows for the each of the three years in the period ended December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of At Home Corporation at December 31, 1998 and 1997, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles.

LLP

ERNST & YOUNG

(d) Financial Statement Schedules. -- Not applicable.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: 4/27/99

AT HOME CORPORATION

By: /s/ KENNETH A. GOLDMAN

--

Kenneth A. Goldman
Senior Vice President and
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

DATE	NAME	TITLE
----	----	-----
PRINCIPAL EXECUTIVE OFFICER:		
Officer	/s/ THOMAS A. JERMOLUK* 4/27/99	President, Chief Executive and Chairman of the Board
PRINCIPAL FINANCIAL OFFICER:		
and	/s/ KENNETH A. GOLDMAN 4/27/99	Senior Vice President Chief Financial Officer
	Kenneth A. Goldman	
CHIEF ACCOUNTING OFFICER:		
4/27/99	/s/ ROBERT A. LERNER*	Corporate Controller
ADDITIONAL DIRECTORS:		
4/27/99	/s/ WILLIAM R. HEARST III*	Vice Chairman
		Director
	C. Michael Armstrong	
4/27/99	/s/ L. JOHN DOERR*	Director
4/27/99	/s/ LEO J. HINDERY, JR.*	Director

10.33	IRU Capacity Agreement, dated December 19, 1998, between Registrant and AT&T Corp.
10.34	Form of Loan Modification Agreement between Registrant and Silicon Valley Bank(**)
10.35	Build to Suit Option Agreement, dated October 25, 1996, between Registrant and Martin/Campus Associates, L.P., and First Amendment to Build to Suit Option Agreement(**)
10.36	Build to Suit Lease, dated July 14, 1998, between Registrant and Martin/Campus Associates, L.P. (420 Broadway, Redwood City, California)(**)
10.37	Form of Build to Suit Lease between Registrant and Martin/Campus Associates, L.P. (430 Broadway, Redwood City, California)(**)
10.38	Indenture, dated December 28, 1998, between Registrant and State Street Bank and Trust Company of California, N.A., as trustee(***)
10.39	Registration Rights Agreement, dated December 28, 1998, between Registrant and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan St Goldman and Sachs & Co.(***)
21.01	Subsidiaries of Registrant(***)
23.01	Consent of Ernst & Young LLP, Independent Auditors
24.01	Power of Attorney executed by each officer and director (**)
27.01	Financial data schedule for year ended December 31, 1998(**)

-
- * Management contracts or compensatory plans required to be filed as an exhibit to Form 10-K.
 - ** Previously filed as an exhibit to Registrant's Form 10-K, filed with the Securities and Exchange Commission on February 19, 1999.
 - *** Previously filed as an exhibit to Registrant's Form 10-K/A, filed with the Securities and Exchange Commission on March 31, 1999.
 - (1) Incorporated by reference to exhibits of the same number to Registrant's registration statement on Form S-1 declared effective by the Securities and Exchange Commission on July 11, 1997 (File No. 333-27323).
 - (2) Incorporated by reference to exhibits of the same number to Registrant's registration statement on Form S-8 filed with the Securities Exchange Commission on July 28, 1998 (File No. 333-60037).
 - (3) Incorporated by reference to exhibits of the same number to Registrant's current report on Form 8-K filed with the Securities and Exchange Commission on October 21, 1997 (File No. 000-22697).
 - (4) Incorporated by reference to exhibits of the same number to Registrant's quarterly report on Form 10-Q filed with the Securities and Exchange Commission on November 14, 1997 (File No. 000-22697).
 - (5) Incorporated by reference to exhibits of the same number to Registrant's quarterly report on Form 10-Q filed with the Securities and Exchange Commission on May 15, 1998 (File No. 000-22697), as amended on February 8, 1999.
 - (b) Reports on Form 8-K.
No such reports were filed in the fourth quarter of 1998.
 - (c) Exhibits. -- See (a)(3) above.

AT&T/@Home Proprietary
Subject to non-disclosure obligations
TECHNICAL SPECIFICATIONS

The technical specifications for the Capacity are as set forth in the following AT&T Technical References, as revised from time to time, and such other Technical References (or successor documents that state generally applicable service specifications for applicable levels of service) that apply with respect to the Capacity furnished to @Home under this Agreement:

- AT&T Technical Reference 54018 (OC-3)
- AT&T Technical Reference 54077 (OC-12)
- AT&T Technical Reference 54078 (OC-48)

Notwithstanding specifications set forth in such Technical References (or successor documents):

(a) the average quarterly OC-48 circuit availability during each day will be equal to or greater than 99.8%; and

(b) the OC-48 error performance rate shall not exceed 30 errored seconds (ES) per day and 4 severely errored seconds (SES) per day.

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PHASE TWO CAPACITY

@Home will be provided total bandwidth of 622 Mbps (either provisioned by 4 OC-3's or an OC-12) between each of these city pairs by 3/31/1999:

CITY A	CITY Z	CLLI CODE A	CLLI CODE Z	MILES
San Diego, CA	San Jose, CA	SNDGCA02	SNJSCA02	454
Camden, NJ	New York City, NY	CMDDNNJCE	NYCMNYBW	156
San Francisco, CA	Seattle, WA	SNFCCA21	STTLWA06	731
San Francisco, CA	San Jose, CA	SNFCCA21	SNJSCA02	45
Mishawaka, IN	Toledo, OH	MSHWINQ0010	TOLDON21	339
San Jose, CA	Salt Lake City, UT	SNJSCA02	SLKCUTMA	731
Lamesa, TX	San Diego, CA	LAMSTXR0010	SNDGCA02	1,059
Dallas, TX	Lamesa, TX	DLSTXTL	LAMSTXR0010	438
Birmingham, AL	New Orleans, LA	BRHMLMT	NWORLAMA	408
Greenville, SC	Norfolk, VA	GNVLSCTL	NRFLVABS	422
Norfolk, VA	Washington DC	NRFLVABS	WASHDCSWW20	174
Cleveland, OH	Camden, NJ	CLEVOH02S10	CMDDNNJCE	417
Hartford, CT	New Haven, CT	HRFRCT03	NWHNCT02	333
Buffalo, NY	Hartford, CT	BFLONYFR	HRFRCT03	463
Atlanta, GA	Miami, FL	ATLNGATL	MIAMFLAC	666
Miami, FL	New Orleans, LA	MIAMFLAC	NWORLAMA	884
Longmont, CO	Omaha, NE	LNMTCC01	OMAHNNW	546
Amarillo, TX	Lamesa, TX	AMRLTXDR	LAMSTXR0010	220
Anaheim, CA	Los Angeles, CA	ANHMA01	LSANCA03	43
Camden, NJ	Newark, NJ	CMDDNNJCE	NWRKNJ02	146
Newark, NJ	New York City, NY	NWRKNJ02	NYCMNYBW	9
San Francisco, CA	San Jose, CA	SNFCCA21	SNJSCA02	45
Detroit, MI	Toledo, OH	DTRTMI8A	TOLDON21	70
San Jose, CA	Salt Lake City, UT	SNJSCA02	SLKCUTMA	731
Los Angeles, CA	Santa Barbara, CA	LSANCA03	SNBBCA01	88
San Diego, CA	Phoenix, AZ	SNDGCA02	PHNXAZMA	418
Lamesa, TX	Phoenix, AZ	LAMSTXR0010	PHNXAZMA	641
Fort Worth, TX	Lamesa, TX	FTWOTXED	LAMSTXR0010	406
Indianapolis, IN	Louisville, KY	IPLSINAT	LSVLKYCS	110
Cleveland, OH	Indianapolis, IN	CLEVOH02S10	IPLSINAT	389
Birmingham, AL	New Orleans, LA	BRHMLMT	NWORLAMA	408

Greenville, SC	Norfolk, VA	GNVLSCTL	NRFLVABS	422
Norfolk, VA	Washington DC	NRFLVABS	WASHDCSWW20	174
Baltimore, MD	Camden, NJ	BLTMDCHT10	CMDNNJCE	124
Cleveland, OH	Pittsburgh, PA	CLEVOH02S10	PITBPADGW10	155
Camden, NJ	Philadelphia, PA	CMDNNJCE	PHLAPASL	3
New Haven, CT	Providence, RI	NWHNCT02	PRVDRIGR	99
Cambridge, MA	Providence, RI	CMBRMA01	PRVDRIGR	131
Cambridge, MA	Hartford, CT	CMBRMA01	HRFRCT03	103
Buffalo, NY	Hartford, CT	BFLONYFR	HRFRCT03	463
Atlanta, GA	Orlando, FL	ATLNGATL	ORLDFLMA	439
Miami, FL	Orlando, FL	MIAMFLAC	ORLDFLMA	228
Miami, FL	Sarasota, FL	MIAMFLAC	SRSTFLMA	182
New Orleans, LA	Sarasota, FL	NWORLAMA	SRSTFLMA	702
Longmont, CO	Omaha, NE	LNMTCO01	OMAHNENW	546

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Amarillo, TX	Lamesa, TX	AMRLTXDR	LAMSTXR0010
220			

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EXHIBIT C
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@Home will be provided an OC-48 between each of these city pairs by 3/31/1999:

CITY A	CITY Z	CLLI CODE A	CLLI CODE Z	MILES
Longmont, CO	Seattle, WA	LNMTCO01	STTLWA06	1,201
Longmont, CO	Salt Lake City, UT	LNMTCO01	SLKCUTMA	446
Amarillo, TX	Longmont, CO	AMRLTXDR	LNMTCO01	558
Amarillo, TX	Tulsa, OK	AMRLTXDR	TULSOKTB	342
Dallas, TX	Tulsa, OK	DLLSTXTL	TULSOKTB	248
Omaha, NE	Tulsa, OK	OMAHNENW	TULSOKTB	406
Chicago, IL	Omaha, NE	CHCGILCLW60	OMAHNENW	433
Birmingham, AL	Cleveland, OH	BRHMALMT	CLEVOH02S10	841
Chicago, IL	Cleveland, OH	CHCGILCLW60	CLEVOH02S10	669
Dallas, TX	New Orleans, LA	DLLSTXTL	NWORLAMA	556
Atlanta, GA	Birmingham, AL	ATLNGATL	BRHMALMT	141
Atlanta, GA	Greenville, SC	ATLNGATL	GNVLSCTL	400
Camden, NJ	Washington DC	CMDNNJCE	WASHDCSWW20	162
Buffalo, NY	Cleveland, OH	BFLONYFR	CLEVOH02S10	173
New Haven, CT	New York City, NY	NWHNCT02	NYCMNYBW	86
Spokane, WA	Seattle, WA	SPKNWA01	STTLWA06	313
Billings, MT	Spokane, WA	BLNGMTMA	SPKNWA01	460
Billings, MT	Longmont, CO	BLNGMTMA	LNMTCO01	429
San Francisco, CA	Portland, OR	SNFCCA21	PTLDOR62	572
Portland, OR	Seattle, WA	PTLDOR62	STTLWA06	159
Longmont, CO	Salt Lake City, UT	LNMTCO01	SLKCUTMA	446
Santa Barbara, CA	San Jose, CA	SNBBCA01	SNJSCA02	243
Anaheim, CA	San Diego, CA	ANHMCA01	SNDGCA02	80
Dallas, TX	Fort Worth, TX	DLLSTXTL	FTWOTXED	32
Amarillo, TX	Denver, CO	AMRLTXDR	DNVRCOMA	522
Denver, CO	Longmont, CO	DNVRCOMA	LNMTCO01	36
Amarillo, TX	Oklahoma City, OK	AMRLTXDR	OKCYOKCE	245
Oklahoma City, OK	Tulsa, OK	OKCYOKCE	TULSOKTB	97
Dallas, TX	Tulsa, OK	DLLSTXTL	TULSOKTB	248
Kansas City, MO	Tulsa, OK	KSCYMO09	TULSOKTB	227
Kansas City, MO	Omaha, NE	KSCYMO09	OMAHNENW	180
Chicago, IL	Des Moines, IA	CHCGILCLW60	DESMIADT	312
Des Moines, IA	Omaha, NE	DESMIADT	OMAHNENW	121
Birmingham, AL	Nashville, TN	BRHMALMT	NSVLTNMT	183
Louisville, KY	Nashville, TN	LSVLKYCS	NSVLTNMT	158
Chicago, IL	Cleveland, OH	CHCGILCLW60	CLEVOH02S10	669
Detroit, MI	Mishawaka, IN	DTRTMIBA	MSHWINQ0010	269

Dallas, TX	Houston, TX	DLLSTXTL	HSTNTX01	225
Baton Rouge, LA	Houston, TX	BTRGLAMA	HSTNTX01	256
Baton Rouge, LA	New Orleans, LA	BTRGLAMA	NWORLAMA	75
Atlanta, GA	Birmingham, AL	ATLNGATL	BRHMALMT	141
Atlanta, GA	Greenville, SC	ATLNGATL	GNVLSCTL	400
Baltimore, MD	Washington DC	BLTMDCHT10	WASHDCSWW20	38
Buffalo, NY	Cleveland, OH	BFLONYFR	CLEVOH02S10	173
Philadelphia, PA	Pittsburgh, PA	PHLAPASL	PITBPADGW10	259
New Haven, CT	New York City, NY	NWHNCT02	NYCMNYBW	86

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Significant Routes:

CITY A

San Diego, CA
Camden, NJ
San Francisco, CA
San Francisco, CA
Mishawaka, IN
San Jose, CA
Lamesa, TX
Dallas, TX
Birmingham, AL
Greenville, SC
Norfolk, VA
Cleveland, OH
Hartford, CT
Buffalo, NY
Atlanta, GA
Miami, FL
Longmont, CO
Amarillo, TX

CITY Z

San Jose, CA
New York City, NY
Seattle, WA
San Jose, CA
Toledo, OH
Salt Lake City, UT
San Diego, CA
Lamesa, TX
New Orleans, LA
Norfolk, VA
Washington DC
Camden, NJ
New Haven, CT
Hartford, CT
Miami, FL
New Orleans, LA
Omaha, NE
Lamesa, TX

CITY A

Longmont, CO
Longmont, CO
Amarillo, TX
Amarillo, TX
Dallas, TX
Omaha, NE
Chicago, IL
Birmingham, AL
Chicago, IL
Dallas, TX
Atlanta, GA
Atlanta, GA
Camden, NJ
Buffalo, NY
New Haven, CT

CITY Z

Seattle, WA
Salt Lake City, UT
Longmont, CO
Tulsa, OK
Tulsa, OK
Tulsa, OK
Omaha, NE
Cleveland, OH
Cleveland, OH
New Orleans, LA
Birmingham, AL
Greenville, SC
Washington DC
Cleveland, OH
New York City, NY

@Home will be provided an OC-48c between each of these city pairs by 8/31/1999:

Significant Routes are listed in Exhibit C.

CITY A MILES	CITY Z	CLLI CODE A	CLLI CODE Z
Longmont, CO 1,201	Seattle, WA	LNMTCO01	STTLWA06
San Francisco, CA 731	Seattle, WA	SNFCCA21	STTLWA06
San Francisco, CA 45	San Jose, CA	SNFCCA21	SNJSCA02
Longmont, CO 446	Salt Lake City, UT	LNMTCO01	SLKCUTMA
San Jose, CA 731	Salt Lake City, UT	SNJSCA02	SLKCUTMA
San Diego, CA 454	San Jose, CA	SNDGCA02	SNJSCA02
Lamesa, TX 1,059	San Diego, CA	LAMSTXR0010	SNDGCA02
Dallas, TX 438	Lamesa, TX	DLLSTXTL	LAMSTXR0010
Amarillo, TX 558	Longmont, CO	AMRLTXDR	LNMTCO01
Amarillo, TX 342	Tulsa, OK	AMRLTXDR	TULSOKTB
Dallas, TX 248	Tulsa, OK	DLLSTXTL	TULSOKTB
Omaha, NE 406	Tulsa, OK	OMAHNENW	TULSOKTB
Chicago, IL 433	Omaha, NE	CHCGILCLW60	OMAHNENW
Birmingham, AL 841	Cleveland, OH	BRHMALMT	CLEVOH02S10
Chicago, IL 669	Cleveland, OH	CHCGILCLW60	CLEVOH02S10
Mishawaka, IN 339	Toledo, OH	MSHWINQ0010	TOLD0H21
Dallas, TX 556	New Orleans, LA	DLLSTXTL	NWORLAMA
Birmingham, AL 408	New Orleans, LA	BRHMALMT	NWORLAMA
Atlanta, GA 141	Birmingham, AL	ATLNGATL	BRHMALMT
Atlanta, GA 400	Greenville, SC	ATLNGATL	GNVLSCTL
Greenville, SC 422	Norfolk, VA	GNVLSCTL	NRFLVABS
Norfolk, VA 174	Washington, DC	NRFLVABS	WASHDCSWW20
Camden, NJ 162	Washington DC	CMDNNJCE	WASHDCSWW20
Buffalo, NY 173	Cleveland, OH	BFLONYFR	CLEVOH02S10
Cleveland, OH 417	Camden, NJ	CLEVOH02S10	CAMDNNJCE
Camden, NJ 156	New York City, NY	CMDNNJCE	NYCMNYBW
New Haven, CT	New York City, NY	NWHNCT02	NYCMNYBW

86 Hartford, CT 333 Buffalo, NY 463 Atlanta, GA 666 Miami, FL 884 Longmont, CO 548 Amarillo, TX 220	New Haven, CT Hartford, CT Miami, FL New Orleans, LA Omaha, NE Lamesa, TX	HRFRCT03 BFLONYFR ATLAGATL MIAMFLAC LNMTCO01 AMRLTXDR	NWHNCT02 HRFCT03 MIAMFLAC NWORLAMA OMAHNENW LAMSTXR0010
Spokane, WA 313 Billings, MT 460 Billings, MT 429 San Francisco, CA 572 Portland, OR 159 San Francisco, CA 45 Longmont, CO 446 San Jose, CA 731 Santa Barbara, CA 243	Seattle, WA Spokane, WA Longmont, CO Portland, OR Seattle, WA San Jose, CA Salt Lake City, UT Salt Lake City, UT San Jose, CA	SPKNWA01 BLNGMTMA BLNGMTMA SNFCCA21 PTLDOR62 SNFCCA21 LNMTCO01 SNJSCA02 SNBBCA01	STTLWA06 SPKNWA01 LNMTCO01 PTLDOR62 STTLWA06 SNJSCA02 SLKCUTMA SLKCUTMA SNJSCA02

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Exhibit D

CITY A MILES	CITY 2	CLLI CODE A	CLLI CODE Z
Los Angeles, CA 88	Santa Barbara, CA	LSANCA03	SNBBCA01
Anaheim, CA 43	Los Angeles, CA	ANHMCA01	LSANCA03
Anaheim, CA 80	San Diego, CA	ANHMCA01	SNDGCA02
San Diego, CA 418	Phoenix, AZ	SNDGCA02	PHNXAZMA
Lamesa, TX 641	Phoenix, AZ	LAMSTXR0010	PHNXAZMA
Dallas, TX 32	Fort Worth, TX	DLLSTXTL	FTWOTXED
Fort Worth, TX 406	Lamesa, TX	FTWOTXED	LAMSTXR0010
Amarillo, TX 522	Denver, CO	AMRLTXDR	DNVRCOMA
Denver, CO 36	Longmont, CO	DNVRCOMA	LNMTCO01
Amarillo, TX 245	Oklahoma City, OK	AMRLTXDR	OKCYOKCE
Oklahoma City, OK 97	Tulsa, OK	OKCYOKCE	TULSOKTB
Dallas, TX	Tulsa, OK	DLLSTXTL	TULSOKTB

248			
Kansas City, MO	Tulsa, OK	KSCYMOO9	TULSOKTB
227			
Kansas City, MO	Omaha, NE	KBCYMOO9	OMAHNENW
180			
Chicago, IL	Des Moines, IA	CHCGILCLW60	DESMIADT
312			
Des Moines, IA	Omaha, NE	DESMIADT	OMAHNENW
121			
Birmingham, AL	Nashville, TN	BRHMALMT	NSVLTNMT
183			
Louisville, KY	Nashville, TN	LSVLKYCS	NSVLTNMT
158			
Indianapolis, IN	Louisville, KY	IPLSINAT	LSVLKYCS
110			
Cleveland, OH	Indianapolis, IN	CLEVOH02S10	IPLSINAT
389			
Chicago, IL	Cleveland, OH	CHCGILCLW00	CLEVOH02S10
669			
Detroit, MI	Mishawaka, IN	DTRTMIBA	MSHWINQ0010
269			
Detroit, MI	Toledo, OH	DTRTMIBA	TOLDOH21
70			
Dallas, TX	Houston, TX	DLLSTXTL	HSTNTX01
225			
Baton Rouge, LA	Houston, TX	BTRGLAMA	HSTNTX01
256			
Baton Rouge, LA	New Orleans, LA	BTRGLAMA	NWORLAMA
75			
Birmingham, AL	New Orleans, LA	BRHMALMT	NWORLAMA
406			
Atlanta, GA	Birmingham, AL	ATLNGATL	BRHMALMT
141			
Atlanta, GA	Greenville, SC	ATLNGATL	GNVLSCTL
400			
Greenville, SC	Norfolk, VA	GNVLSCTL	NRFLVABS
422			
Norfolk, VA	Washington, DC	NRFLVABS	WASHDCSWW20
174			
Baltimore, MD	Camden, NJ	BLTMDCHT10	CMDNNJCE
124			
Baltimore, MD	Washington, DC	BLTMDCHT10	WASHDCSWW20
38			
Buffalo, NY	Cleveland, OH	BFLONYFR	CLEVOH02S10
173			
Cleveland, OH	Pittsburgh, PA	CLEVOH02S10	PITBPADGW10
155			
Philadelphia, PA	Pittsburgh, PA	PHLAPASL	PITBPADGW10
259			
Camden, NJ	Philadelphia, PA	CMDNNJCE	PHLAPASL
3			
Camden, NJ	Newark, NJ	CMDNNJCE	NWRKNJ02
146			
Newark, NJ	New York City, NY	NWRKNJ02	NYCMNYBW
9			
New Haven, CT	New York City, NY	NWHNCT02	NYCMNYBW
86			
New Haven, CT	Providence, RI	NWHNCT02	PRVDRIGR
99			
Cambridge, MA	Providence, RI	CMBRMA01	PRVDRIGR
131			
Cambridge, MA	Hartford, CT	CMBRMA01	HRFRCT03
103			
Buffalo, NY	Hartford, CT	BFLONYFR	HRFRCT03
463			
Atlanta, GA	Orlando, FL	ATLNGATL	ORLDFLMA
439			
Miami, FL	Orlando, FL	MIAMFLAC	ORLDFLMA
228			

Miami, FL 182	Sarasota, FL	MIAMFLAC	SRSTFLMA
New Orleans, LA 702	Sarasota, FL	NWORLAMA	SRSTFLMA
Longmont, CO 546	Omaha, NE	LNMTCO01	OMAHNENW
Amarillo, TX 220	Lamesa, TX	AMRLTXDR	LAMSTXR0010

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PAYMENT TERMS

IRU Fee. @Home shall pay proportionate amounts (the "Route Payments") of the IRU Fee Payment as listed below.

IRU Fee Payments -----	Due Date -----	Amount -----
Initial Payment 10%	January 15, 1999	
Payment #2 20%	March 31, 1999	
Payment #3 20%	August 30, 1999	
Payment #4 6.7%	January 15, 1999	
Payment #5 6.7%	March 31, 2000	
Payment #6 6.6%	June 1, 2000	
Payment #7 30%	September 1, 2000	
Total 100%		

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EXHIBIT

23.01

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements (Form S-8 Nos. 333-31115, 333-38833 and 333-60037) pertaining to the 1996 Incentive Stock Option Plan, 1996 Incentive Stock Option Plan No. 2, 1997 Employee Stock Purchase Plan and 1997 Equity Incentive Plan of At Home Corporation of our report dated January 19, 1999, with respect to the consolidated financial statements of At Home Corporation included in this Annual Report (Form 10-K/A) for the year ended December 31, 1998.

/s/ Ernst & Young

San Jose, California
April 26, 1999